

LEVIN & ROSENSTEIN, P.C.

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September 20, 2011

Hugh Stevens, Esquire
Everett, Gaskins, Hancock & Stevens, LLC
The Historic Pilot Mill
1101 Haynes Street, Suite 100
Raleigh, NC 27604

Re: JOC Farms LLC
2009 MPCJ Policy No. NC-090-793527 (Beaufort County)

Dear Mr. Stevens:

I am responding to your September 15, 2011, electronic mail requesting further clarification of the method used by Rural Community Insurance Services ("RCIS") to calculate the indemnity relative to the Beaufort County tobacco claim submitted by JOC Farms LLC ("JOC").

First, enclosed is a copy of RCIS's February 28, 2011, letter to JOC setting forth the figures applied by RCIS in determining the Beaufort County tobacco indemnity. Second, enclosed is a spreadsheet that provides a more detailed explanation of the calculations, including the total unharvested appraised production by Farm Serial Number. Third, enclosed is a copy of the MPCJ Summary of Loss that accompanied the indemnity check previously sent to JOC.

Please contact me if you have additional questions as to the calculations or the figures used by RCIS in applying the calculations.

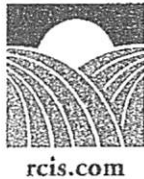
Sincerely,


Daniel N. Rosenstein

Enclosures

cc: Ms. Tonya Rowe
Ms. Diane Amara





RURAL COMMUNITY
INSURANCE SERVICES®

February 28, 2011

JOC FARMS LLC

4747 US HWY 264E
GREENVILLE NC 27834

SUBJECT: 2009 MPC I Policy Number NC-090-793527
BEAUFORT County, TOBACCO Unit 0100

Dear Insured:

RCIS has completed your 2009 Beaufort County Tobacco Claim based on RMA's Administrative Review Decision (ARD) dated February 9th, 2011.

All acres were measured by Tom Rountree using GPS. The appraised production shown as uninsured cause in Block 34 of the Production Worksheet (PW) is tobacco that deteriorated in the field due to untimely harvest. These appraisals were made by Sandra Yeatts (RMA), Vee Bunting (RCIS), and Billy Holt (RCIS) in September, 2009. The ARD upheld the determination that JOC Farms didn't use the proper chemicals to control Black Shank on farms planted to varieties CC27 and K326 due to these varieties' low resistances to Black Shank. Therefore quality adjustment of the production produced on farms planted to CC27 and K326 is not allowed.

The value per lb (for quality adjustment purposes) was calculated as follows:

Step 1) Total the production from farms planted to CC35 (FSNs 8245 and 8361)	127,522
Step 2) Total monies received for the production in step 1	\$162,027.11
Step 3) Total the production from all farms planted to CC27 and K326	638,172
Step 4) Multiply the results of step 3 by \$1.85	\$1,180,618.20
Step 5) Total the results of step 1 and step 3	765,694
Step 6) Total the results of step 2 and step 4	\$1,342,645.31
Step 7) Divide the results of step 6 into the results of step 5	\$1.75

The value in block 47 on page 4 of the PW is \$1.75 and the market price is \$1.85 resulting in the quality adjustment factor of .9460.

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JOC Beaufort County Claim Calculations

FSN	Determined Arces	Guarantee Per Acre in Pounds	Total Guar. In Lbs.	Appraised Unharvested Tobacco Per Acre	Total Unharvested Appraised Tobacco
7718	52.85	1778	93967	622	32873
9172	33.34	1959	65313	458	15270
8245	79.83	1588	126770	342	27302
8251	26.36	1935	51007	321	8462
9166	31.77	1593	50610	342	10865
8854	63.21	1961	123955	321	20290
8855	43.01	1784	76730	0	0
8856	44.18	1911	84428	338	14933
8857	4.65	1593	7407	0	0
9167	22.15	1770	39206	342	7575
8859	55.51	1593	88427	321	17819
8861	53.3	1593	84907	364	19401
9173	8.88	1788	15877	753	6687
1664	2.74	1770	4850	0	0
7284	9.13	1770	16160	1030	9404
8361	3.81	1770	6744	0	0
9325	6.43	1770	11381	321	2064
7877	16.36	1770	28957	297	4859
	<u>557.51</u>		<u>976696</u>		<u>197804</u>
9169	10.28	Unreported Farm	0		

Harvested production to count as described in the February 28, 2011 letter

765694	Harvested production
<u>x.9460</u>	QA factor
724347	Harvested produc to count

Claim Calculations

976696	Total Guarantee
<u>-197804</u>	Total unharvested tob
-724347	Harvested Production
<u>54545</u>	Loss in Pounds
<u>x \$1.85</u>	Price Election
100908	Payable



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3501 Thurston Avenue
Anoka, MN 55303-1060

MPCI SUMMARY OF LOSS

Date: 2/28/11
Page: 1

BULK-MAILED TO AGENCY
AGENCY MAILED TO INSURED

JOC FARMS LLC AND AGCAROLINA FINANCIAL 4747 US HWY 264E GREENVILLE NC 27834 PHONE: (252)752-5567								Policy #: 2009 32-090-793527 Claim #: 1758568				
								County: BEAUFORT 013				
32-3134 WOOLARD INS AGY INC 171 ORMOND AVE BATH NC 27808 PHONE (252)923-9990								TOTAL NET LOSS		\$100,907.00		
								PREVIOUS PAID AMOUNTS		\$.00		
								AMOUNT OF CHECK		\$100,907.00		
								*PREMIUM BALANCE DUE		\$.00		
CROP / PLAN	UNIT	FN	ACRES	PRAC	TYP	STG	GUAR/ ACRE	ADJ GUAR	PROD TO COUNT	PRICE	SHARE	PAYABLE
FLCTB APH	0001-0000-EU	9173	8.88	000	012	H	1788.00	15877.00	18462.00	1.8500	1.000	4782-
		8861	53.30	000	012	H	1593.00	84907.00	82370.70	1.8500	1.000	4692
		8859	55.51	000	012	H	1593.00	88427.00	83399.20	1.8500	1.000	9302
		9167	22.15	000	012	H	1770.00	39206.00	36651.00	1.8500	1.000	4727
		8857	4.65	000	012	H	1593.00	7407.00	5493.40	1.8500	1.000	3541
		8856	44.18	000	012	H	1911.00	84428.00	77547.00	1.8500	1.000	12730
		8855	43.01	000	012	H	1784.00	76730.00	56905.40	1.8500	1.000	36676

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MPCI SUMMARY OF LOSS

Date: 2/28/11
Page: 2

Policy #: 2009 32-090-793527							RY: 2009 Claim #: 1758568					
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CROP / PLAN	UNIT	FN	ACRES	PRAC	TYP	STG	GUAR/ ACRE	ADJ GUAR	PROD TO COUNT	PRICE	SHARE	PAYABLE
		8854	63.21	000	012	H	1961.00	123955.00	112219.10	1.8500	1.000	21712
		9166	31.77	000	012	H	1593.00	50610.00	48399.20	1.8500	1.000	4090
		8251	26.36	000	012	H	1935.00	51007.00	46290.30	1.8500	1.000	8726
		8245	79.83	000	012	H	1588.00	126770.00	121318.60	1.8500	1.000	10084
		9172	33.34	000	012	H	1959.00	65313.00	63707.80	1.8500	1.000	2969
		7718	52.85	000	012	H	1778.00	93967.00	102561.70	1.8500	1.000	15901
		7877	16.36	000	012	H	1770.00	28957.00	26334.40	1.8500	1.000	4853
		1664	2.74	000	012	H	1770.00	4850.00	3597.10	1.8500	1.000	2318
		7284	9.13	000	012	H	1770.00	16160.00	21389.00	1.8500	1.000	9674
		8361	3.81	000	012	H	1770.00	6744.00	5001.60	1.8500	1.000	3223
		9326	6.43	000	012	H	1770.00	11381.00	10504.80	1.8500	1.000	1621